

# Submarine Trademarks

Carsten Fink    Andrea Fosfuri    Christian Helmers    Amanda Myers

November 14, 2017

- Motivation
- Definitions and Legal Background
- Data
- Descriptive Statistics
- Policy Implications

# iPhone



Announced on January 9, 2007



### Apple Reinvents the Phone with iPhone

MACWORLD SAN FRANCISCO—January 9, 2007—Apple® today introduced iPhone, combining three products—a revolutionary mobile phone, a widescreen iPod® with touch controls, and a breakthrough Internet communications device with desktop-class email, web browsing, searching and maps—into one small and lightweight handheld device. iPhone introduces an entirely new user interface based on a large multi-touch display and pioneering new software, letting users control iPhone with just their fingers. iPhone also ushers in an era of software power and sophistication never before seen in a mobile device, which completely redefines what users can do on their mobile phones.

"iPhone is a revolutionary and magical product that is literally five years ahead of any other mobile phone," said Steve Jobs, Apple's CEO. "We are all born with the ultimate pointing device—our fingers—and iPhone uses them to create the most revolutionary user interface since the mouse."

**iPhone is a Revolutionary Mobile Phone**

## iPhone Weekend One: 700,000 Sold, \$200million+ Profit For Apple

Posted Jul 4, 2007 by Duncan Riley



### Crunchbase

#### iPhone

**DESCRIPTION**  
iPhone is a line of smartphones that is marketed by Apple.

**WEBSITE**  
<http://www.apple.com/iphone>

[Full profile for iPhone](#)

# Trademark filed at USPTO on Sept. 26, 2006

Mark:	IPHONE		
US Serial Number:	77975076	Application Filing Date:	Sep. 26, 2006
US Registration Number:	3669402	Registration Date:	Aug. 18, 2009
Register:	Principal		
Mark Type:	Trademark		
TM5 Common Status	LIVE/REGISTRATION/Issued and Active		
Descriptor:	 The trademark application has been registered with the Office.		
Status:	A Sections 8 and 15 combined declaration has been accepted and acknowledged.		
Status Date:	Sep. 03, 2014		
Publication Date:	Feb. 24, 2009		

# Trademark filed in Trinidad and Tobago on March 27, 2006

**Generated on:** This page was generated by TSDR on 2017-05-14 15:55:19 EDT

<b>Mark:</b> IPHONE	
<b>US Serial Number:</b> 77975076	<b>Application Filing Date:</b> Sep. 26, 2006
<b>US Registration Number:</b> 3669402	<b>Registration Date:</b> Aug. 18, 2009
<b>Register:</b> Principal	
<b>Mark Type:</b> Trademark	
<b>TM5 Common Status</b>	LIVE/REGISTRATION/Issued and Active
<b>Descriptor:</b> 	The trademark application has been registered with the Office.
<b>Status:</b> A Sections 8 and 15 combined declaration has been accepted and acknowledged.	
<b>Status Date:</b> Sep. 03, 2014	
<b>Publication Date:</b> Feb. 24, 2009	
<b>Mark Information</b>	<a href="#">Expand All</a>
<b>Related Properties Information</b>	
<b>Foreign Information</b>	
<b>Priority Claimed:</b> Yes	
<b>Foreign Application Number:</b> 37090	<b>Foreign Application Filing Date:</b> Mar. 27, 2006
<b>Foreign</b> TRINIDAD AND TOBAGO	

# Trademark filed by Ocean Telecom Services LLC

## ▼ Assignment 1 of 1

[▲ Collapse All](#)

Conveyance:	MERGER EFFECTIVE 10052007		
Reel/Frame:	3638/0275	Pages:	11
Date Recorded:	Oct 11, 2007		
Supporting Documents:	assignment-tm-3638-0275.pdf		
<b>Assignor</b>			
Name:	OCEAN TELECOM SERVICES LLC	Execution Date:	Oct. 05, 2007
Legal Entity Type:	LIMITED LIABILITY COMPANY	State or Country Where Organized:	DELAWARE
<b>Assignee</b>			
Name:	APPLE INC.		
Legal Entity Type:	CORPORATION	State or Country Where Organized:	CALIFORNIA

# Bungie's Destiny

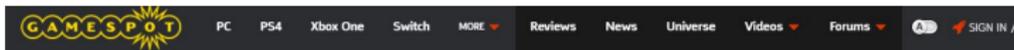


# Trademark filed at USPTO on March 11, 2013

<b>Mark:</b>	GLIMMER	<b>Application Filing Date:</b>	Mar. 11, 2013
<b>US Serial Number:</b>	85873117		
<b>Register:</b>	Principal		
<b>Mark Type:</b>	Trademark		
<b>TM5 Common Status Descriptor:</b>		<b>LIVE/APPLICATION/Published for Opposition</b>	
<b>Status:</b>	Notice of Allowance (NOA) sent (issued) to the applicant. Applicant must file a Statement of Use or Extension Request within six months of the NOA issuance date.		
<b>Status Date:</b>	Jan. 03, 2017		
<b>Publication Date:</b>	Nov. 08, 2016	<b>Notice of Allowance Date:</b>	Jan. 03, 2017

GLIMMER

# Disclosure on March 15, 2013



Search GameSpot

## Bungie seeking to trademark Glimmer, Hive

Destiny developer also files applications for Vex, Fallen, and Cabal to cover use for games, Halloween clothing, books, and more.

Published by Eddie Makuch on March 15, 2013 at 9:40AM

Comments



Subscribe for the latest gaming news

Destiny developer Bungie has filed five different trademark applications with the United States Patent & Trademark Office (USPTO) for **Glimmer**, **Fallen**, **Hive**, **Cabal**, and **Vex** potentially related to the company's all-new "shared-world shooter" to be published by Activision.

# Trademark filed in Trinidad and Tobago on Oct. 5, 2012

<b>Mark:</b>	GLIMMER	
	<b>GLIMMER</b>	
<b>US Serial Number:</b>	85873117	<b>Application Filing Date:</b> Mar. 11, 2013
<b>Register:</b>	Principal	
<b>Mark Type:</b>	Trademark	
<b>TM5 Common Status</b>	LIVE/APPLICATION/Published for Opposition	
<b>Descriptor:</b>		A pending trademark application has been examined by the Office and has been published in a way that provides an opportunity for the public to oppose its registration.
<b>Status:</b>	Notice of Allowance (NOA) sent (issued) to the applicant. Applicant must file a Statement of Use or Extension Request within six months of the NOA issuance date.	
<b>Status Date:</b>	Jan. 03, 2017	
<b>Publication Date:</b>	Nov. 08, 2016	<b>Notice of Allowance Date:</b> Jan. 03, 2017
<b>Mark Information</b> <span style="float: right;">▼ Expand All</span>		
<b>Foreign Information</b>		
<b>Priority Claimed:</b>	Yes	
<b>Foreign Application Number:</b>	45946	<b>Foreign Application Filing Date:</b> Oct. 05, 2012
<b>Foreign Application/Registration Country:</b>	TRINIDAD AND TOBAGO	

# Trademarks as market intelligence

## Trademark filing hints that El Capitan is coming to iPad

BY LUKE DORMEHL • 6:38 AM, JULY 3, 2015

Ad closed by Google



## Apple's new trademark hints at third-party CarPlay accessories

BY LUKE DORMEHL • 4:40 AM, DECEMBER 23, 2014



## Does Apple trademark filing mean PowerBook is coming back?

BY LUKE DORMEHL • 7:47 AM, MARCH 29, 2017

NEWS



**Submarine trademarks** are trademarks

- ① whose publication and hence disclosure to the public is strategically delayed
- ② that are filed by shell companies instead of the company that intends to use the trademarks in commerce.

- Trademark protection through common law and **federal registration**
- Important advantages to registration (nation-wide priority right)
- Registration with USPTO
- USPTO publishes pending application
- Use establishes legal right
- International agreements: Paris Convention and Madrid System

## Apple's new iPads: the leaks and the tweaks

We're expecting a new iPad and iPad mini, along with release dates for the Mac Pro and Mavericks software. But what else? We round up the news and squash the rumours:

- A thinner, lighter iPad 5 with Touch ID fingerprint access
- iPad mini 2 with retina display
- Both with A7 X processor speeding up games and video



# Product announcements and submarine TMs: IPAD AIR



Got a tip f

Front Page

Mac Blog

iOS Blog

Roundups

Buyer's Guide

Forums

iPhone 8

iPhone X

HomePod

iOS 11

Apple Watch

macOS High Sierra

iMac Pro

MacBook Pro

watch

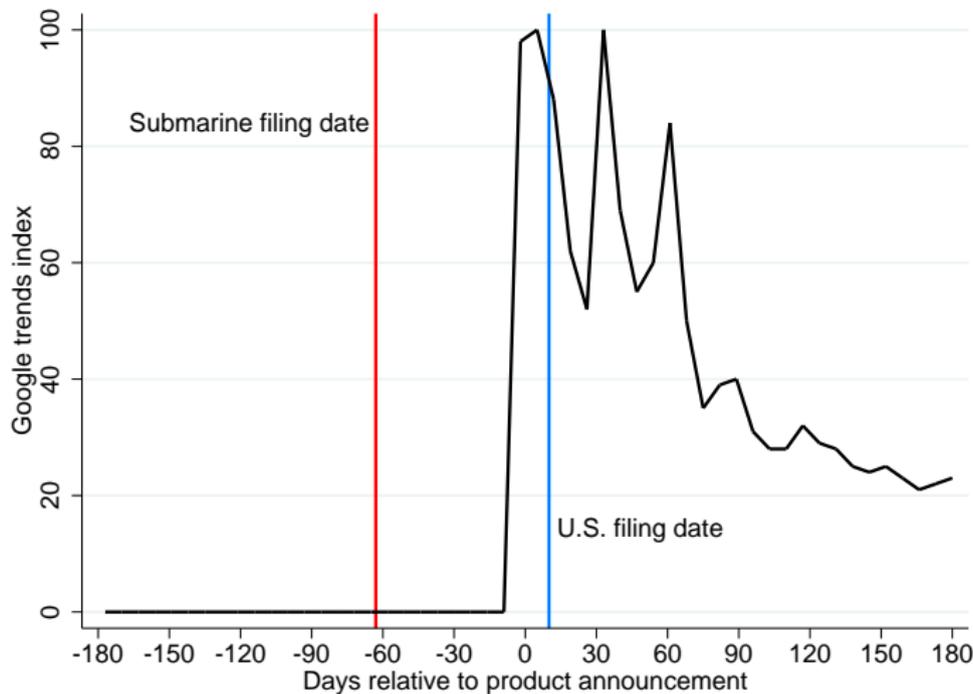
## Apple Announces Thinner, Lighter iPad Air With 64-Bit A7 Processor

Tuesday October 22, 2013 11:05 am PDT by Juli Clover

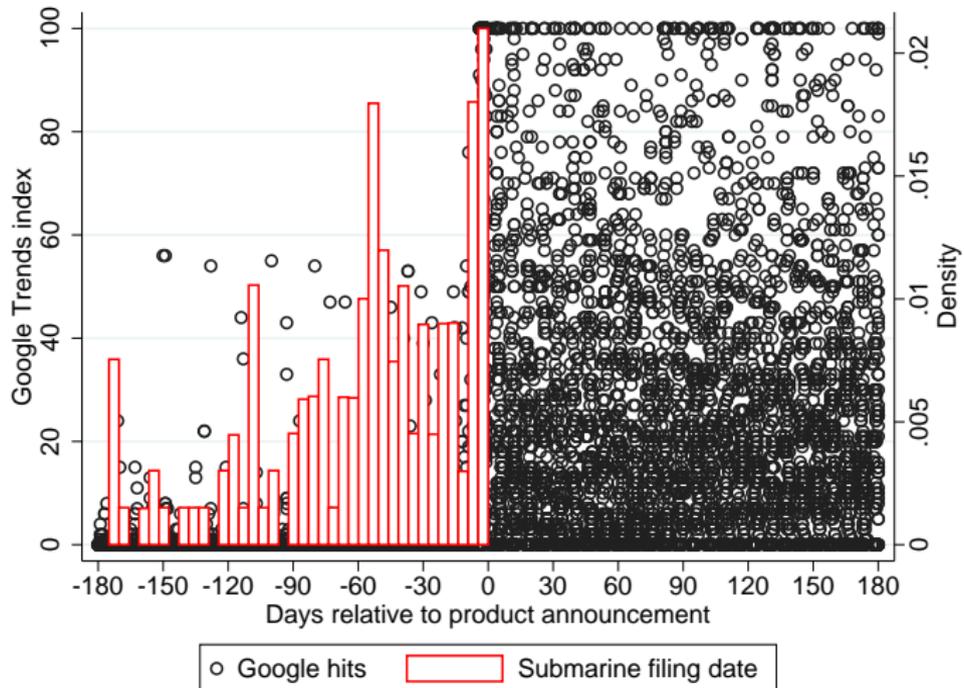
At today's media event in San Francisco, Apple debuted its much-anticipated fifth-generation iPad, re-named the iPad Air, which has been redesigned to resemble Apple's thinner-bezeled iPad mini. With its narrower side bezels and a slimmer form factor, the iPad Air is significantly lighter and smaller than the fourth-generation iPad, weighing in at only one pound. The iPad Air is 20 percent thinner and 28 percent lighter than the fourth-generation iPad.



# Product announcements and submarine TMs: IPAD AIR – Google Trends



# Product announcements and submarine TMs



- USPTO Trademark Case Files Dataset 1977-2016
- Filing, prosecution, foreign priority, publication, registration & assignment of trademarks (Graham, Hancock, Macro, and Myers, 2013)

---

---

Frame Counts	Filings (000)	Class Filings (000)
Case Files	8,608	10,612
Excl. pre-2005 filings	3,772	5,001
Excl. foreign owners	3,091	3,843
Excl. state & fed. agencies, trusts, foundations	3,081	3,829
Excl. certification, collective, non-visual marks	3,073	3,820

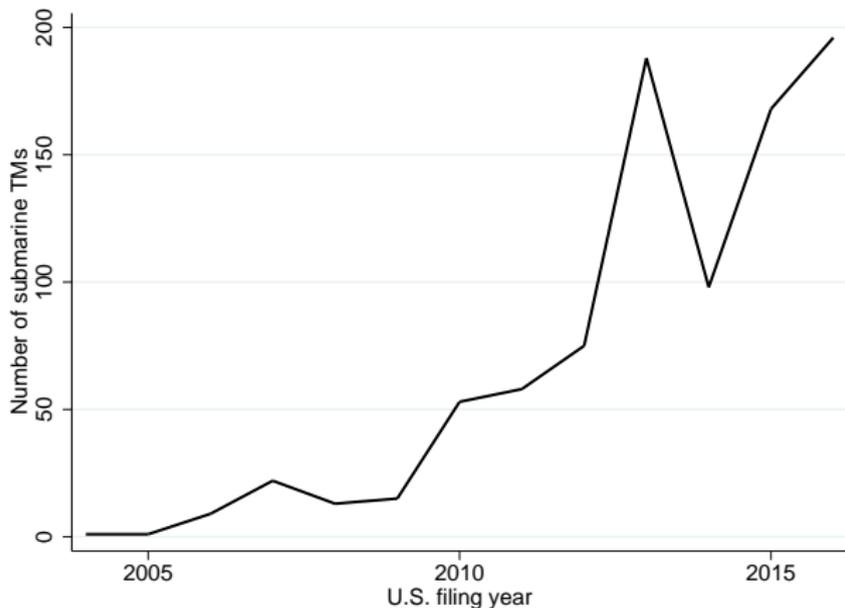
---

---

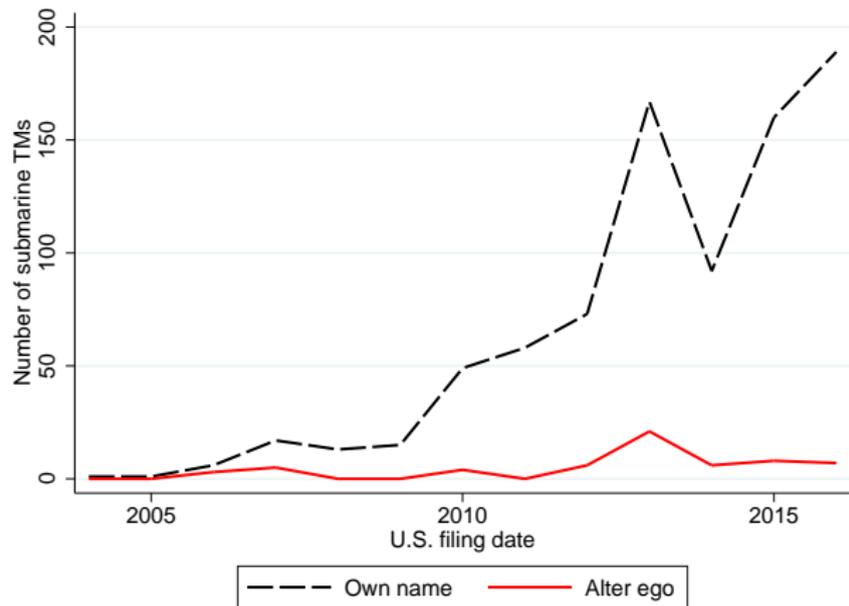
## Submarine TM vs. Submarining entity

Trademark Filings	submarining entity	non-submarining entity	total
submarine tm	896	-	896
% col	4.20	-	0.03
% row	100.00	-	100.00
non-submarine tm	20,429	3,051,376	3,071,805
% col	95.80	100.00	99.97
% row	0.67	99.33	100.00
total	21,325	3,051,376	3,072,701
% col	100.00	100.00	
% row	0.69	99.31	

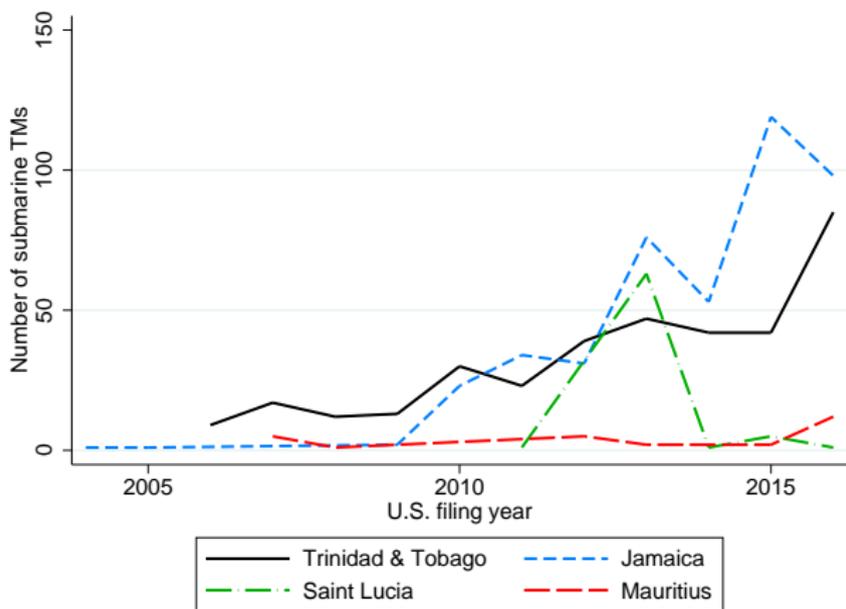
# Total number of submarine trademark filings with USPTO claiming priority abroad by filing year



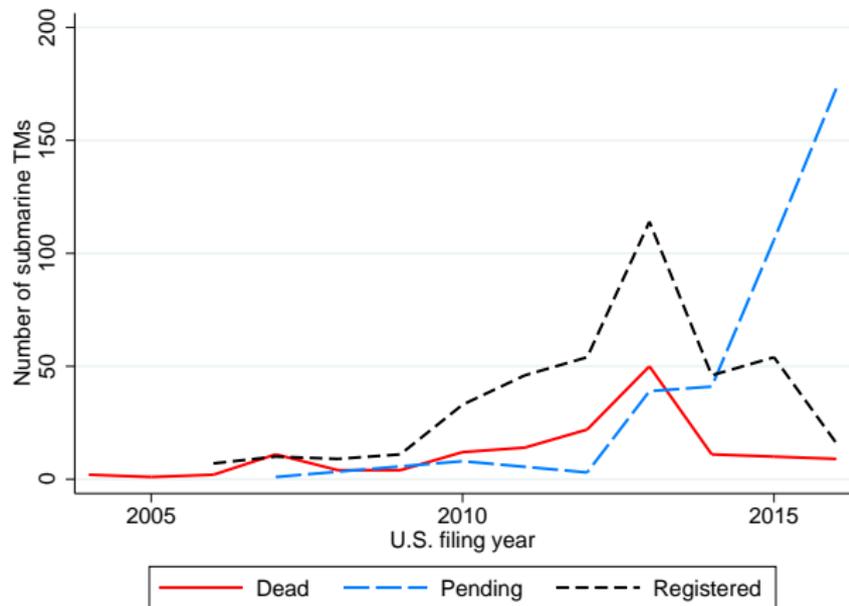
# Total number of submarine trademark filings with USPTO claiming priority abroad by filing year: own name vs shell company



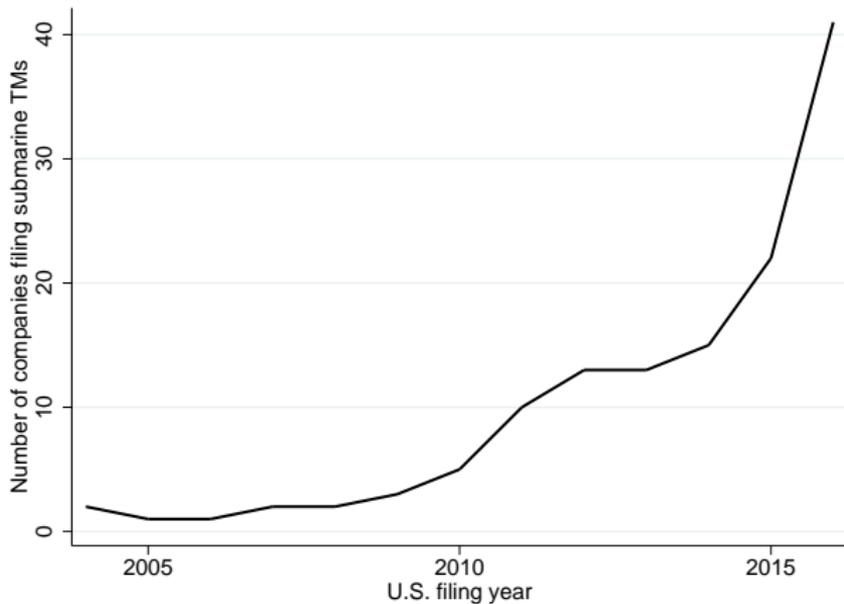
# Total number of submarine trademark filings with USPTO claiming priority abroad by filing year and submarine jurisdiction



# Total number of submarine trademark filings with USPTO claiming priority abroad by filing year and status



# Total number of companies filing submarine trademarks

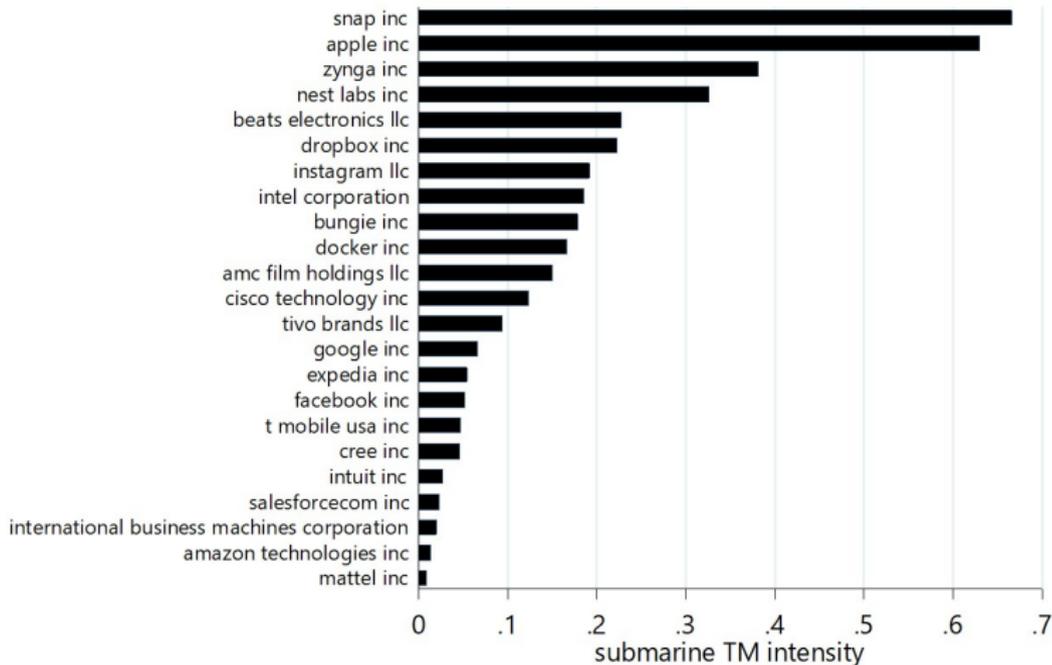


# Submarining entity filings

Rank	Company	% Share	Submarine TMs		Non-Sub.s # All	Sub. TM intensity %
			# All	# Shell comp.		
1	Apple inc	45.20	405	56	237	63.08
2	Mattel inc	7.81	70	0	8,051	0.86
3	Zynga inc	7.70	69	0	112	38.12
4	T-Mobile inc	4.58	41	32	816	4.78
5	Cisco Technology inc	4.46	40	0	285	12.31
6	Google inc	3.13	28	0	398	6.57
7	Intel Corporation	2.57	23	0	101	18.55
8	Beats Electronics llc	2.34	21	0	71	22.83
9	Nest Labs inc	1.79	16	0	33	32.65
10	Instagram llc	1.67	15	0	63	19.23

**Notes:** The table shows the total number of trademark filings with the USPTO between 2000-2016 by a given applicant that claim priority in Jamaica, Mauritius, Saint Lucia, or Trinidad and Tobago.

# Submarining entity: submarine TM intensity



Notes: Table includes only entities with more than 0.5% of all submarine TMs and at least one submarine and one non-submarine TM

# Descriptive statistics

Variable	Variable definition	submarine TMs			non-submarine TMs			mean diff
		n	mean	sd	n	mean	sd	
goods mark	Filed for only goods Nice classes	896	0.499	0.500	3,071,805	0.539	0.498	-0.04 *
services mark	Filed for only service Nice classes	896	0.260	0.439	3,071,805	0.404	0.491	-0.14 ***
goods & services mark	Filed for both goods & services Nice classes	896	0.241	0.428	3,071,805	0.058	0.233	0.18 ***
nice class count	Count of Nice classes in filing	896	1.69	1.43	3,071,805	1.24	0.75	0.44 ***
standard character	Mark contains words, letters, numbers or any combination thereof without claim to any particular font style, size or color	896	0.672	0.470	3,071,805	0.756	0.429	-0.08 ***
logo (design & character)	Mark contains words, letters, numbers or any combination thereof and design elements	896	0.129	0.336	3,071,805	0.183	0.386	-0.05 ***
stylize character	Mark contains words, letters, numbers or any combination thereof with claim to any particular font style, size or color	896	0.030	0.171	3,071,805	0.033	0.178	0.00
design only	Mark contains design elements only	896	0.169	0.375	3,071,805	0.028	0.166	0.14 ***

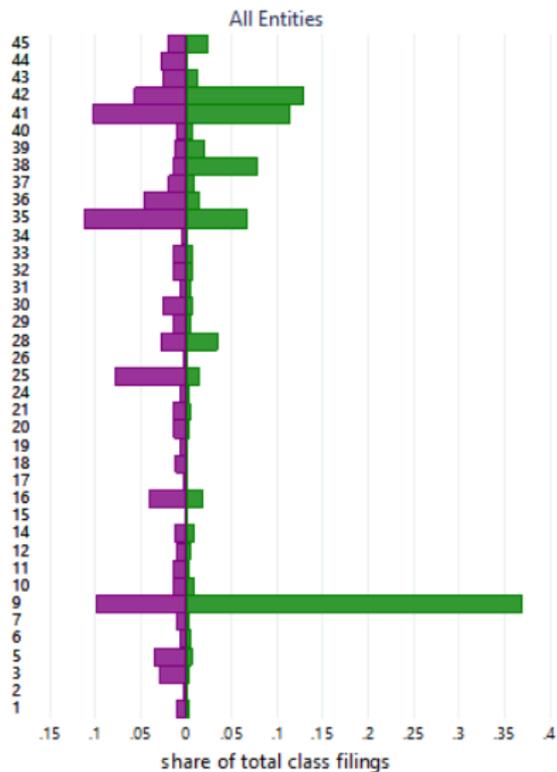
Notes: \* p<0.05, \*\* p<0.01, \*\*\* p<0.001 \*\* p<0.01

# Nice classes

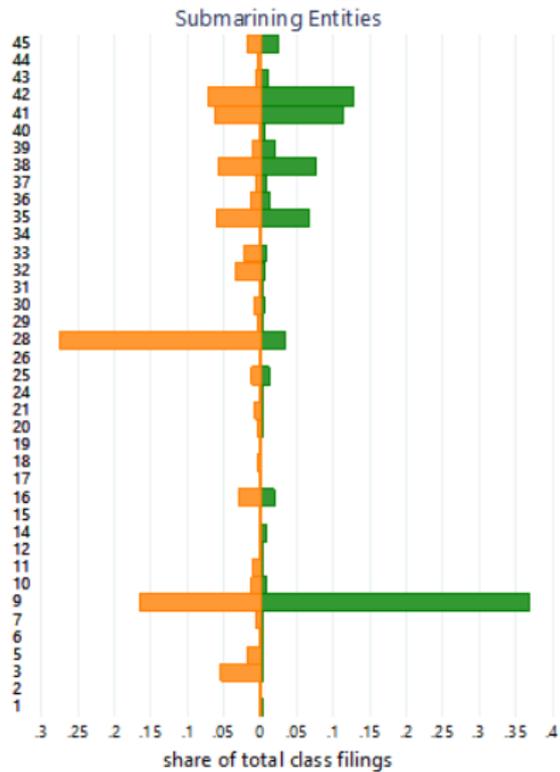
- Class 9: Scientific apparatus & instruments, namely, computer hardware...
- Class 38: Telecommunications, namely, communication via portable electronic devices...
- Class 41: Education, namely, providing information, news, and commentary...
- Class 42: Scientific & technological services, namely, provision of search engine services...

STATUS	DOCUMENTS	?
Generated on: This page was generated by TSDR on 2017-11-06 20:29:26 EST		
Mark: AMAZON ECHO		
<b>AMAZON ECHO</b>		
US Serial Number:	86616046	Application Filing Date: Apr. 30, 2015
Filed as TEAS RF:	Yes	Currently TEAS RF: Yes
Register:	Principal	
Mark Type:	Trademark, Service Mark	
TMS Common Status Descriptor:		LIVE/APPLICATION/Published for Opposition
Status:	Notice of Allowance (NOA) sent (issued) to the applicant. Applicant must file a Statement of Use or Extension Request within six months of the NOA issuance date.	
Status Date:	Sep. 12, 2017	
Publication Date:	Jul. 18, 2017	Notice of Allowance Date: Sep. 12, 2017
- Mark Information <span style="float: right;">Expand All</span>		
- Related Properties Information		
- Foreign Information		
Priority Claimed:	Yes	
Foreign Application Number:	49003	Foreign Application Filing Date: Oct. 31, 2014
Foreign Application/Registration Country:	TRINIDAD AND TOBAGO	

# Nice classes



Nice classes with no submarine trademarks omitted



Nice classes with no submarine trademarks omitted

# Descriptive statistics

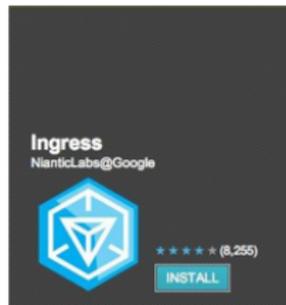
Variable	Variable definition	submarine TMs			non-submarine TMs			mean diff
		n	mean	sd	n	mean	sd	
submarine TM	Applicant claim priority in JM, MU, LC, TT	896	1.000	0.000	3,071,805	0.000	0.000	1.00
submarining entity	At least one pre-registration owner identified as having at least one submarine TM	896	1.000	0.000	3,071,805	0.007	0.081	0.99 ***
submarine shell	Submarine TM filed under shell name	896	0.067	0.250	3,071,805	0.000	0.003	0.07 ***
goods mark	Filed for only goods Nice classes	896	0.499	0.500	3,071,805	0.539	0.498	-0.04 *
services mark	Filed for only service Nice classes	896	0.260	0.439	3,071,805	0.404	0.491	-0.14 ***
goods & services mark	Filed for both goods & services Nice classes	896	0.241	0.428	3,071,805	0.058	0.233	0.18 ***
nice class count	Count of Nice classes in filing	896	1.69	1.43	3,071,805	1.24	0.75	0.44 ***
standard character	Mark contains words, letters, numbers or any combination thereof without claim to any particular font style, size or color	896	0.672	0.470	3,071,805	0.756	0.429	-0.08 ***
logo (design & character)	Mark contains words, letters, numbers or any combination thereof and design elements	896	0.129	0.336	3,071,805	0.183	0.386	-0.05 ***
stylize character	Mark contains words, letters, numbers or any combination thereof with claim to any particular font style, size or color	896	0.030	0.171	3,071,805	0.033	0.178	0.00
design only	Mark contains design elements only	896	0.169	0.375	3,071,805	0.028	0.166	0.14 ***

Notes: \* p<0.05, \*\* p<0.01, \*\*\* p<0.001 \*\* p<0.01

# Google-owned design only marks



Submarine TM



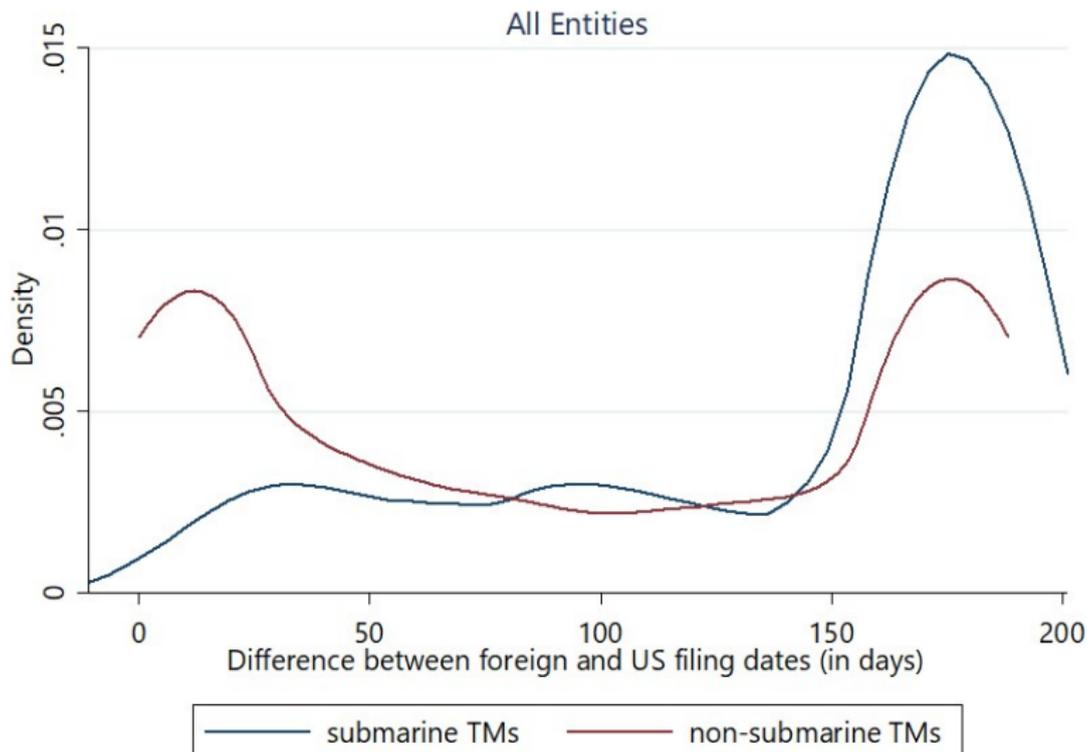
Non-Submarine TM

# Descriptive statistics

Variable	Variable definition	submarine TMs			non-submarine TMs			mean diff
		n	mean	sd	n	mean	sd	
legal basis - use	Filed based on use in US commerce (sec. 1a)	896	0.156	0.363	3,071,805	0.434	0.496	-0.28 ***
legal basis - intent-to-use	Filed based on bona fide intent to use in US commerce (sec. 1b)	896	0.815	0.389	3,071,805	0.568	0.495	0.25 ***
legal basis - foreign application	Filed based on prior foreign filing within 6 mths (sec. 44d)	896	0.999	0.033	3,071,805	0.002	0.042	1.00 ***
legal basis - foreign registration	Filed based on prior foreign registration (sec. 44e)	896	0.000	0.000	3,071,805	0.001	0.026	0.00
legal basis - madrid intl registration	Filed based on extension of Madrid registration (sec. 66a)	896	0.000	0.000	3,071,805	0.000	0.018	0.00
foreign application	1 if prior application filed in foreign jurisdiction 0 if no prior applications in foreign jurisdiction	896	0.999	0.033	3,071,805	0.002	0.044	1.00 ***
foreign to US filing lag	Foreign filing date to US filing date (in days)	895	138	56	4,572	99	148	38.23 ***
first commercial use to US filing lag	First use in US commerce date to US filing (in days)	446	49	576	1,768,400	1,035	3,770	-985.58 ***
first any use to US filing lag	First use (any) date to US filing (in days)	447	89	571	1,764,998	1,124	5,049	-1035.03 ***

Notes: \* p<0.05, \*\* p<0.01, \*\*\* p<0.001 \*\* p<0.01

## Lag between foreign & US filing dates



# Descriptive statistics

Variable	Variable definition	submarine TMs			non-submarine TMs			mean diff
		n	mean	sd	n	mean	sd	
disposed	1 if application disposed via registration or abandonment 0 if application pending (as of January 2017)	896	0.595	0.491	3,071,805	0.883	0.322	-0.29 ***
pendency	US filing date to disposal date lag (in years)	533	1.84	1.31	2,711,996	1.37	0.89	0.46 ***
suspended	1 if prosecution suspended pending disposal of prior filing 0 if prosecution not suspended	896	0.180	0.384	3,071,805	0.039	0.194	0.14 ***
suspension duration	Time under suspension (in years)	77	1.39	1.38	88,781	1.50	1.30	-0.11
supplemental registrar	1 if application filed for or amended to Supplemental Registrar 0 if application filed for Principal Registrar w/o amendment to Supplemental Registrar	896	0.008	0.088	3,071,805	0.032	0.175	-0.02 ***
acquire distinctiveness	1 if applicant makes claim of acquire distinctiveness under section 2(f)	896	0.027	0.162	3,071,805	0.021	0.144	0.01
disclaimer	1 if applicant disclaims rights to certain elements of the mark 0 otherwise	896	0.137	0.344	3,071,805	0.273	0.445	-0.14 ***

Notes: \* p<0.05, \*\* p<0.01, \*\*\* p<0.001 \*\* p<0.01

# Descriptive statistics

Variable	Variable definition	submarine TMs			non-submarine TMs			mean diff
		n	mean	sd	n	mean	sd	
prior related mark	1 if applicant reports prior related marks during prosecution 0 otherwise	896	0.299	0.458	3,071,805	0.121	0.326	0.18 ***
prior related mark count	Count of number of prior related marks reported by applicant in case	268	2.32	0.87	370,474	1.98	1.10	0.34 ***
ex parte appeal	1 if applicant files ex parte appeal during prosecution 0 otherwise	896	0.030	0.171	3,071,805	0.007	0.086	0.02 ***
time to opposed extended	1 if third parties files to extend time to opposed published application 0 otherwise	896	0.057	0.232	3,071,805	0.031	0.173	0.03 ***
opposition instituted	1 if opposition proceeding institute at TTAB 0 otherwise	896	0.040	0.196	3,071,805	0.016	0.126	0.02 ***

Notes: \* p<0.05, \*\* p<0.01, \*\*\* p<0.001 \*\* p<0.01

# Descriptive statistics

Variable	Variable definition	submarine TMs			non-submarine TMs			mean diff
		n	mean	sd	n	mean	sd	
registered	1 if application issued registration 0 if application abandoned	896	0.436	0.496	3,071,805	0.516	0.500	-0.08 ***
nice registered class count	Count of Nice classes in registration	391	1.41	0.85	1,583,930	1.23	0.68	0.18 ***
live registration	1 if registration live (as of January 2017) 0 otherwise	896	0.431	0.495	3,071,805	0.424	0.494	0.01
unique owners	Count of unique owners	896	1.07	0.27	3,071,805	1.10	0.35	-0.04 ***
post registration assignment	1 if registration assigned after registration date 0 otherwise	896	0.015	0.120	3,071,805	0.056	0.230	-0.04 ***
post registration owners	Count of unique new owners after registration date	13	1.08	0.28	171,423	1.20	0.49	-0.12
Madrid filing derived	1 if Madrid filing derived from US filing 0 otherwise	896	0.523	0.500	3,071,805	0.017	0.131	0.51 ***

Notes: \* p<0.05, \*\* p<0.01, \*\*\* p<0.001 \*\* p<0.01

## Submarine Strategy: Avoid hold-up and/or squatting

- Relatively high suspension and opposition rates suggest submarine strategy may not be effective at avoiding hold-up or delay at USPTO
  - Selection bias → strategy pursued where suspension and opposition most anticipated
- High proportion of submarine TMs used as basis for Madrid international registration suggests global market strategy
  - Earliest possible priority → deter squatters in foreign jurisdictions

# Submarine Strategy: Marketing

- Higher share of submarine TMs design-only marks
  - Icon or visual-based association suggests strong brand recognition
  - Branding and avoiding squatters abroad – avoid language barriers to deployment in diverse markets
- Smaller share with disclaimer
  - Less propensity to include generic or descriptive elements
  - Creative product names more fanciful and/or arbitrary
- Higher proportion report prior related marks
  - Sophisticated applicants
  - Extending existing brand/product names to new goods and services

# Submarine Strategy: Preserve first-mover advantage

- Higher share of submarine TMs filed for both goods and services and more classes per filing
  - Innovative product/name – applications spanning diverse goods and services categories
  - Obtain earliest priority date across diverse classes
- Higher suspension and opposition rates
  - Crowded product/name space – Nice class 9
  - Higher scrutiny from competitors
- Exploring other proxies:
  - Entity filing in new nice
  - Identification of goods and services (IDs) – similarity of text to prior filings within same class

- Apple iwatch UK High Court decision
- Bad faith filing by Apple's shell company Brightflash?
- “The current applicant [Apple] is one of the biggest and most successful brands in the world. With such fame and reputation it is inevitable that its actions would be closely monitored by third parties with dishonest intentions. Therefore, even if the applicant appointed an “**affiliate**” **company to apply for its trade marks** in order to avoid drawing unwanted attention to its marketing plans, is this behaviour which would be considered to be dishonest or fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the relevant industry? In my view, it is not. In fact, I consider that it would be regarded as **prudent behaviour** which is manufacturer is entitled to take to protect its commercial interests.”

- **Should we allow applicants to delay publication of trademarks?**
- **Trade-off** between allowing company to secure some form of exclusivity and forcing it to notify the public about the scope of its property right
- ⊕ Positive effect from exclusivity on the willingness to invest in development and marketing of a product (direct effect)
- ⊖ Public notice provides information to competitors and squatters
  - Negative effect on the competitor's willingness to invest in the development and marketing of the competing product due to increased uncertainty
- ⊕ Positive effect for delaying firm from negative effect on competitor (indirect effect)